



United States Department of Agriculture
Rural Development



September 10, 2014

Processing Information

USDA Rural Development Staff Training September 16 - 18, 2014

USDA Rural Development's Guaranteed Rural Housing (GRH) staff in Iowa will be attending training on Tuesday, Wednesday and Thursday, September 16th, 17th and 18th and applications will not be processed during these days. Staff will do their best to keep turnaround times to 24 to 48 hours immediately following these dates as they catch up. However, there may be temporary delays, so we ask that lenders plan accordingly.

Annual Fee Increase

On October 1, 2014 the annual fee for both purchase and refinance guaranteed housing loans will increase from 0.4% to 0.5%. This issue was originally included in Administrative Notice 4757 (<http://www.rurdev.usda.gov/SupportDocuments/an4757.pdf>) issued on April 21, 2014. The change is required to maintain a neutral cost of the program.

All loans that are obligated prior to the close of business on September 30, 2014 will remain subject to the current 0.4% annual fee structure.

Guaranteed Underwriting System (GUS) "Final Submissions" with an annual fee of 0.4% that can be processed by USDA Rural Development prior to the close of business on September 30th will not be impacted by the annual fee change.

However, GUS "Final Submissions" with an annual fee of 0.4%, that are incomplete and are unable to be processed by Rural Development prior to the close of business on September 30th will need to be re-underwritten by the lender using an annual fee of 0.5%. GUS underwriting recommendations are subject to change at the time of re-submission.

Lenders should begin using the 0.5% annual fee on any applications submitted on or after September 29, 2014.

Inaccurate Data and Incomplete Applications Delay Conditional Commitments

USDA Rural Development relies on lenders to use a thorough examination of primary and contributory risk factors in a mortgage application to reach an underwriting recommendation.

Please be reminded that full utilization of GUS and loan data integrity remains with the lender. The loan level data used to render a risk assessment and underwriting recommendation in GUS must match the data provided for a loan guarantee request.

The approved lender's underwriter must also review the credit, qualifying ratios and appraisal to ensure the applicant's credit and capacity meet the standards of USDA's Single Family Housing Guaranteed Loan Program.

Lenders must ensure all loan level data is valid prior to final submission when requesting a commitment for a Loan Note Guarantee. Any modifications of data must be communicated with Rural Development staff prior to loan closing to ensure issuance of a Loan Note Guarantee.

Lenders must read all findings provided in the final GUS underwriting and findings report. Findings obtained with a preliminary submission may differ from the final report obtained when the authorized user submits the application file to Rural Development for commitment of a Loan Note Guarantee.

Utilizing the origination stacking sheet will ensure the required documentation is included and will avoid applications being suspended or returned so Conditional Commitments may be received in a timely manner.

The stacking sheet may be found at

https://usdalinc.sc.egov.usda.gov/docs/rd/sfh/loanorigination/AN_Attachment_C_Lender_Origination_Documentation_Final_Fillable.pdf

Save Time and Money with New Automated Loan Closing System

Save money and time on Loan Note Guarantee processing with the new Automated Loan Closing system. USDA's Automated Loan Closing system is now available for lenders to submit loan closing transactions/packages to the Agency electronically. The Agency expects that all lenders will submit loan closing transactions electronically by October 1, 2014.

Lender benefits include:

- Cost savings through paperless processing – no more overnight delivery fees to submit checks and closing documents to the Agency
- Electronic submission of the information previously collected on Form RD 1980-19, "Loan Closing Report"
- Electronic submission of the upfront Guarantee Fee to the Agency via the Pay.gov (<http://pay.gov>) interface (no more paper checks)
- Electronic upload of loan closing documentation (e.g. Promissory Note, HUD-1, etc.)
- Ability to view, download, print, and/or save the Loan Note Guarantee immediately upon issuance by Rural Development

Lenders must complete a Lender Loan Closing User Agreement to request access. A fillable version of the Lender Loan Closing User Agreement and additional information can be found at <https://usdalinc.sc.egov.usda.gov/USDALincTrainingResourceLib.do>.

Sign Up for ListServ

ListServ is a **FREE** email service that delivers instant program updates for Guaranteed Loan Origination, GUS and Guaranteed Loan Servicing.

Sign up for ListServ announcements at <http://www.rdlist.sc.egov.usda.gov>. Please contact LindaKay Rhoades at Linda.Rhoades@ia.usda.gov or (515) 284-4723 with any questions.